

CONTEMPORARY SLOVAK SOCIETY AND AGRARIAN REFORM

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The paper is concerned with the problems of agrarian reform in Slovakia in a historical context. It looks at the development of cooperatives, state farms and private agriculture.

In 1990, research was done on views of privatization in agriculture. Later development confirmed that interest in private enterprise was less than expected.

In the framework of the international research project “Rural Employment and Rural Regeneration in Post Socialist Central Europe”, the impact of transformation on the countryside and agriculture was studied. The research was done in cooperation with Liverpool University, Poland, the Czech Republic and Hungary. It was supported by funds from the European Union. The transformation process in the countryside was accompanied by negative phenomena: increased unemployment and growing criminality. Positive developments can be seen in the area of small and middle sized businesses.

Introduction

Compared to the Czech Republic in the framework of Czechoslovakia, Slovakia was a mostly agrarian country with delayed modernization, the most developed forms of which arrived only after the Second World War. Significant urbanization and industrialization began to occur after 1945. The agrarian question is still an extraordinarily sensitive and serious problem in Slovak society. The transformation process after 1989 not only affected agriculture, but influenced further development in rural areas.

Cooperative establishment in Slovakia

In the 19th century and at the beginning of the 20th century the majority of the population was employed in the agrarian sector. This period was characterized by the fact that majority of farms had an acreage of up to 5 ha. At present, Slovak agriculture is dominated by agricultural cooperatives which originated after 1948.

In Slovakia cooperatives had already been established in the 19th century. They were genuinely voluntary. The first self-help agricultural cooperative in Slovakia was founded in 1845 (Farmer Association at Sobotišťe). [1] The association assisted rural people in the solution of their economic, moral and social problems. At the end of the 19th century, further agricultural cooperatives arose, namely credit, buying and selling and insurance cooperatives. During the first Czechoslovak Republic (1918-1939) cooperatives played a significant role, particularly dairy, land improvement, food, warehousing, machinery and pasture cooperatives. In 1948 political changes and a new government strategy was initiated in Czechoslovakia. Slovakia began to be strongly industrialized. The total structure of employment was changed: while in 1930 56.7% of total inhabitants worked in agriculture, by 1950 the proportion was reduced to 41.9%. [2]

Significant changes occurred in agriculture after the 1948 election which concerned mainly the ownership of land. The new Land Reform Act was approved in 1948 (No. 46/1948 Zb. z.). According to this law land exceeding 50 ha compulsorily purchased by the state as well as the land which was not worked by the owner. Originally, the land was to be distributed to small farmers or the landless but state cooperatives were also considered. The compulsory purchase was in fact confiscation because no compensation for land was paid. [3]

The process of collectivization started in 1949 when the Act on Agricultural Cooperatives (No. 69/1949 Zb.z.) was approved. The last remnants of private farming were liquidated. The original intention of the land reform in Slovakia of 1945-1950 of allotting land to small farmers and the landless was not fulfilled, just the contrary, large land ownership was broken up and the process of forced collectivization commenced and continued until the 1970s. The process was concluded in the 1970s by creating large enterprises which were created by merging several cooperatives located in a number of villages. The 1980s brought specialization in production. The trend was towards large-scale forms of production.

Post socialist farming

The collectives (state farms), which were initially created involuntarily, gradually took on social functions in the villages (the provision of meals for members of the cooperative, pensioners, setting up nurseries and kindergartens, the provision of employment for people who could not find jobs elsewhere) thus becoming accepted component parts of the village. The cooperatives built modern farm buildings, farming premises and equipment and administrative centres. Many large scale cooperatives were prosperous and with the assistance of state subsidies agriculture managed to supply the population with food. On the other hand, the process was accompanied by moral damage which cannot be eliminated overnight. The farmer who once bore full responsibility for production and farming in its entirety, gradually lost these values when working for a cooperative. Collective responsibility re-

placed the feeling of personal responsibility. At present, a large number of cooperative members do not want to bear responsibility in business mainly because they want to avoid risk. They find retaining their labour contracts more advantageous because responsibility remains with the management.

Agricultural cooperatives represent the biggest group of primary agricultural producers in term of the size of land they farm. [4]

The transformation in agriculture was based on privatization and restitution of the means of production. By the end of 1992 agricultural cooperatives had been transformed into new commercial entities according to Transformation Act No. 42/1992 Zb. Even members of cooperatives without ownership of land became owners in the cooperatives, their property shares being derived from their work participation in the cooperative. A large proportion of property shares are owned by non-members of cooperatives (about 41% in Slovakia), by people who are owners of land.

The decisive proportion of agricultural cooperatives has opted for the cooperative business form. Besides collectives, other legal forms such as limited liability, joint stock companies also have been created. The number of small and medium-size cooperatives has risen. The following table depicts this development.

Table 1: Number of cooperatives according to the size of farmed land in 1989-1995

Year	> 500	501-1000	1001-1500	1501-2500	2001-2500	< 2500	Total
			[ha]				
1989	1	30	91	101	105	302	636
1990	7	44	113	116	118	282	680
1991	46	159	201	164	115	213	898
1992	55	186	212	168	115	210	946
1993	55	192	226	169	115	195	952
1994	117	223	248	144	113	151	996
1995	113	240	246	157	103	140	1019

Source Year 1994 - Agricultural Census 1994

State farms and their position in agriculture

Beside cooperatives, state farms also produced agricultural products. The first state farms were established in 1945, their acreage being still low in the whole of Slovakia. State farms acquired land in the returned territory of southern Slovakia (a territory of 10,606 ha which had belonged to the Czechoslovak Republic until 1938). They also acquired confiscated property of Germans and Hungarians as well as the land of individuals who were designated traitors to the nation. In the follow-

ing period (1953-1956), the state farms took over the land from cooperatives that had fallen apart or had insufficient membership. State farms were intended to act as model for others – cooperatives and privately farming farmers, with a good level of mechanization and high level of organization of work, but they were unable to fulfil this task. In 1945 they farmed 27,754 ha of land. [2] They were mostly oriented towards plant breeding and improving species. Some of them also had livestock production specializing mainly in breeding. State farms suffered from high labour turnover.

After 1990, large state farms were divided into smaller ones as happened with the cooperatives.

The process of privatization was influenced by various problems connected with the ownership of land, settlement of restitution claims, organizational changes within the sector, liquidation of state owned companies and mainly the numerous changes in legislation. The basic law regulating the process of privatization was the Act 92/1991. At the beginning of privatization in 1992 the highest percentage of privatized entities was in the food industry. The second wave of privatization in 1994 in agriculture included a total of 250 state companies, of which 138 were state farms, 47 food processors, 29 biological services companies, and 23 technical services companies. Their total equity reached 31,6 billion SKK [4]

Of the total 138 state farms 19 were put into liquidation (4 in 1994, 4 in 1995 and 11 in 1996) due to poor financial performance. Bankruptcy was initiated in two state farms. Privatization of state farms had to proceed slowly. In 1994 5 state farms were privatized, in 1995 23. In 1996 substantial bulk of privatization projects were submitted to NPF for execution. [4] The privatization of state farms is still not ended yet.

Table 2. New legal forms in Agriculture

Type of business entity	Number of entities	[%]	Agricultural land in ha		
			area in 1,000 ha	%	Average per farm
Private farmers not registered	7572	84.78	114.74	5.24	15.15
Private farmers registered	9	0.01	0.59	0.03	65.87
PLCs	1	1.10	NA	NA	NA
LTDs	98	1.01	63.67	2.91	649.68
INCs	29	0.33	36.85	1.68	1270.81
Cooperatives	961	10.76	1531.15	69.87	1593.24
State owned companies	211	2.36	425.31	19.41	2015.67
Gov. subsidized organizations	48	0.54	18.67	0.85	388.96
Other	2	0.02	NA	NA	NA
Total	8931	100.00	2191.3	100.00	245.36

Source Year 1994 - Agricultural Census 1994

The number of private farmers is increasing only very slowly. Different sources of information on the number of private farmers give different data (20,000, 7,572). In spite of this, it is clear, that the number of farmers working larger holdings, i.e. more than 50 ha, is very small. More than 60% of private farmers work 2–5 ha of land. Private farmers play a marginal role in agricultural production.

Employment in agricultural primary production has decreased over the last years by more than half. The most dramatic decline has been seen in agricultural cooperatives. Relative employment measured per 100 ha of agricultural land decreased from 13.28 workers in 1989 to 6.36 in 1994.

Over the last years there have been distinct changes in the number of entities according to different legal forms.

Opinions on privatization

At the end of 1990 sociological research was undertaken examining opinions concerning privatization. This extensive research (1,714 respondents) in various regions of Slovakia revealed that only 7.8 % of respondents were interested in private farming. They preferred to put off with farming for a few years and they planned to farm just to the extent to supply their households. Their attitudes to privatization differed depending on land ownership. Landowners preferred to maintain existing conditions. Shortage of financial means negatively influenced their plans to farm. The second negative factor was a fear of failure. The last barrier was unwillingness to sacrifice advantages they had (leave, holidays, etc.). The majority of those interested in farming wanted to farm on an area of up to 5 hectares. The regional analysis revealed that cooperative farmers from traditional agrarian regions were most interested in larger scale farming.

Educated respondents had more specific ideas on farming, they formulated their aims more clearly and they showed higher interest in farming than the less educated respondents. Only about one fourth of respondents thought about full-time farming. The majority of farmers considered the possibility of part-time farming and they counted on participation of their family members in work on their farm. Confronting attitudes with present situation proves that the expectations of that time were realized. The following text presents the results of recent investigations on privatization in agriculture in Slovakia.

Agriculture and privatization in S. B.

Within the framework of the research project “Rural Employment and Rural Regeneration in Post Socialist Central Europe” sociological research was carried out in the village S.B., Northern Slovakia. S.B. belongs to the region characterized by a great restriction of production and a high unemployment rate. It is located in a valley and surrounded by forests. It developed from several small settlements at the

western and eastern border of the village. We observed changes that appeared after the year 1990 and studied the history of the municipality before the onset of socialism. We attempted to obtain information whether there was a change documenting a transition towards private farming, what the employment situation is like, and how the reconstruction of the villages proceeded. The concentration of services in towns has resulted in the small traditional multi-functional rural communities ceasing or dying out completely. The most important factor in the "revitalization" of rural regions is, in particular, the maintenance of their multi-functionality.

Citizens of S. B. in the presocialist period earned their living as farmers. Soil of low-fertility and backward farming practices gave very low yields. The main crops were potatoes, wheat and rye. The greater part of the harvested crop was consumed by farmers and their families; only a small portion was intended for sale. Twice a year farmers had an opportunity to sell and buy agricultural products at the open market. Another part of population worked in the forest. Many inhabitants went to seek their jobs to Belgium, France and Croatia. This exodus stopped after the Second World War. Men started to work in mines in Moravia and Silesia (Ostrava, Karviná).

In the 1948 the land was very divided. The majority of farmers farmed on an acreage of 2 hectares and 30 % were farmers exploited 2-8 hectares. The landlords no longer existed by then. The division of land was connected with the old Hungarian right of inheritance that guaranteed all heirs an equal share of landed property. Social differentiation in this period was not great. The records of the local historical chronicle showed that the farm cooperative had difficulties with recruiting members and that citizens at first did not like the idea at all. The coop was founded in 1950 and it had only a few members. In 1967 its 6 active members farmed 83 hectares. By then there were 305 private farmers there. Private farmers who resisted joining the cooperative had to supply their products in ordered quantity (as the so-called state deliveries). These prescribed quotas were difficult to supply. After the merger of several coops in neighbouring villages the number of coop members increased and S. B. became the centre. The cooperative farmed at a loss until it began a supplementary production, when the supplementary production was stopped, the economic results of cooperative ended with a loss again. We also investigated the recent changes in the cooperative farm. After transformation the number of employees drastically fell (from 500 to 70). However, a high percentage of management is still employed. Among the first operational units be abolished was the ancillary production, then the considerable number of workers in animal production were dismissed. Tractor operators are employed on a seasonal basis. A considerable reduction was recorded in the number of employees in transport (from 150 to 15). The management staff are the people who had been working there for many years. The business plans of top managers are very cautious. They wait to see what will be the policy of the government, subsidies and guaranteed prices. Their strategy is limited to short-term and riskless goals. As with other coops, they have big manufac-

turing premises. They rented them, e.g. for production of furniture, shoes, etc. The structure of production was also restricted.

As to employment, the coop dismissed many employees and increased the unemployment rate in the region. This phenomenon is in correspondence with previous observations that the highest numbers of unemployed workers in coops are accumulated in problematic regions with high unemployment rates. One interesting fact was observed; nobody from the fired farmers had started private farming yet (information was provided by the local agronomist). Despite the tradition of private farming that existed in S. B. in the sixties, at present the relation of citizens, and the younger generation is different. The soil in the village territory is of poor fertility (weeded and stony). The fields with the best soil were claimed and returned to their former owners. Farmers would like to farm on smaller plots of 1-2 hectares. During the period of price liberalization farmers tried to get the land and to grow crops only for their households' consumption. The small land area usually does not feed enough livestock. There is also a conflict of interests between the cooperative and land owners because the crops from cooperative fields (mainly feed crops) are frequently stolen. Attitudes toward this deviant behaviour are worthy of note. After founding the cooperative farm theft was an acceptable phenomenon. Stealing from the state-owned property was considered normal ("who does not steal, does not have"). Nowadays theft has reached such a large scale that the coop management considers it a serious problem. It had an impact on the production structure (growing of potatoes was stopped because it was not economic to pay guards). Private farmers are in the same situation. Besides, potatoes was one of the most important crops in the region. The feelings of helplessness with a solution to this problem in the community persist. The reason is a low social control and the fact that new values, such as respect for the property of another person penetrate very slowly into the general consciousness. Protective and repressive systems are also insufficient.

In the summer of 1993 two private farmers started to farm in S.B. (a father and his son). They do not come from the village. They obtained farmland and cattle sheds from the local cooperative and pay a rent for it. They specialize in animal husbandry producing milk and cheese. Their private farming had to overcome many administrative barriers and a lack of financial means for the modernization of technology. It is difficult to get a loan and also interest rates are high. They inherited a strong positive attachment to farming from their ancestors. Despite the obstacles they remain optimistic concerning the future. They plan to buy new technology and believe they will farm at profit.

After a conversation with members of the village council we analysed the whole situation in the community (unemployment, general welfare activities, development of new businesses). The tendency toward resignation and passivity is very frequent. The local council exerted an effort to support and activate the citizens. There were several successful businesses in the municipality (bakery, wood production, phar-

macy, new shops). Ninety private business licences and 12 concessions were registered. 28 licences asked for the cancellation of their business registration (carpenters, masons, tailors). The reason was that they could not find customers, because the mentality of villagers is to be self-sufficient not only in food production but also in services.

There are concerns that the social climate in the community in the future may become even worse due to unsettled landed property relations. The land records were neglected in the past because they did not matter very much. Mistrust of successful individuals still persists in the villagers' mentality. This was felt mainly by very active and hardworking individuals who work in risky business, under difficult conditions. It is a psychological barrier to affluence. Success is envied, it is not understood as an idea worth following. The peasant past still influences the community, even though it already lost its form. In the past this region was very poor and poverty was a normal part of the life. (The chronicle records famine, fires, etc.) The living standard of farmers gradually increased. In the period of the cooperative's prosperity (supplementary production and subsidies) the wages of cooperative farmers were comparable to that in other branches. Today the privatization is connected with the idea of tiring work. Conversations revealed scepticism over improvement of degraded soil, and a lack of belief in achievement of profit. The young generation lacks a positive relationship to the land and is not willing to return to farming. The community has not sold much land. Land ownership is still not solved. The coop returned 350 ha to private owners. This land is used more for subsistence farming than commercial farming. The rate of unemployment has been between 12-13 %) in the community. Prevailingly they are school leavers, women workers and those who do not want to work (alcoholics). The recession of production in the region resulted in numerous job dismissals. The local administration shows efforts to support the activities of citizens.

An integrating role is played by the local pastorate with a young, ambitious pastor. He stimulates youth's activities. The feeling of companionship and partnership is still not strong. This is connected with the habit of living in closed families.

Conclusion

Changes in agriculture had an impact on the social sphere of the population in rural areas. They resulted in increased unemployment. The present organizational structures, farm cooperatives and state farms were founded by directive. This might be the first reactions after the changes in 1989 when voices from the other (non-agricultural) population called for immediate dissolving of cooperatives. Today we cannot overlook the positive results of the past. A return to the small scattered private farming of 1948 is far from the step forward. Cooperatives in marginal areas have the worst problems. Their total collapse could theoretically result in the end of agriculture in those regions. The alternative solution could be the transfer to

private farming with more private farmers, peasants or pluriactive farmers. Cooperative with a completely new management, with a smaller number of actually voluntary members than in the traditional type of the cooperative might be the second alternative.

It has been found that the private sector only provides the private farmer with agricultural services to a limited extent.

The changes after 1990 brought both increased unemployment and a significant increase in the number of people employed in middle sized and small businesses. The new entrepreneurs tended to be people who had previous contact with business activity and had expert knowledge in an area which they could use. After 1990, local government suffered from lack of its own financial resources and as a result it was unable to apply its own local policies. Repeated qualitative research showed a certain dependence of the villages on higher political circles, which grant financial resources for the development of infrastructure and other purposes. Development in villages is significantly influenced by mayors and their ability to use contacts in the state administration.

The absence of regional policy in the framework of the regions of Slovakia also implied shortcomings in the areas of regional planning and the introduction of new programmes to solve the acute problems of rural communities.

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